

AMERICAN RIVERS * DEFENDERS OF WILDLIFE * EARTHJUSTICE
ENDANGERED SPECIES COALITION * FRIENDS OF THE EARTH
LEAGUE OF CONSERVATION VOTERS * NATIONAL ENVIRONMENTAL TRUST
NATIONAL PARKS CONSERVATION ASSOCIATION * NATURAL RESOURCES DEFENSE COUNCIL
THE OCEAN CONSERVANCY * OCEANA * PHYSICIANS FOR SOCIAL RESPONSIBILITY * SIERRA CLUB
U.S. PUBLIC INTEREST RESEARCH GROUP * THE WILDERNESS SOCIETY

March 8, 2004

Dear Representative:

As you prepare to consider the annual congressional budget resolution, we are writing to express our alarm regarding proposed new budget rules that threaten our nation's environment and natural resources. We urge you to oppose these unbalanced budget rules, and to help ensure that the fiscal year 2005 budget resolution does not contain them.

We appreciate the critical need to increase fiscal responsibility and address our nation's growing deficit. However, we are deeply concerned that the deficit not become cover for starving environmental and natural resources priorities while leaving larger federal budget problems unresolved. Unfortunately, proposed budget rule changes included in the president's budget and under discussion by the Budget Committee would cripple these urgent environmental priorities. In particular, they would:

Lock in deep cuts to discretionary spending on the environment. The president's budget would lock in crippling cuts to programs that combat pollution and protect our national treasures through binding discretionary spending caps. **By 2009, the president's budget would cut total spending on environmental and natural resources by 20 percent below current activity levels, deeper than any other domestic budget category.** Proposals for similar five-year caps are under consideration by the Budget Committee.

Disproportionately target the environment and other priorities through unbalanced PAYGO rules. The president's budget proposes to reinstate the "pay-as-you-go" (PAYGO) requirement, but would only apply it to mandatory spending and not future tax cuts. As a result, Congress would be forced to pay for spending increases by cutting spending in other areas.

Shrink environmental spending by distorting accounting rules. The president's budget proposes changes in "baseline" spending, or the level of resources needed to maintain current services in existing government programs. This would apply powerful pressure to reduce funding by making the amount of spending needed to maintain services appear to be a spending increase.

Fail to resolve the deficit. Despite draconian cuts in environmental and other domestic priority spending, the deficit actually grows above current estimated levels in the president's budget. Attempts to confront the deficit that rely primarily on painful cuts in domestic spending will inevitably be both unfair and ineffective. Non-defense discretionary spending currently accounts for only 18 percent of total annual spending. Even if Congress zeroed out all \$430 billion in non-defense, domestic discretionary spending this year, it would still not eliminate our current \$521 billion deficit.

Attached please find a more detailed fact sheet that includes specific impacts that these proposed rule changes could have on national parks; the Land and Water Conservation Fund; wildlife

conservation; clean water and other EPA pollution control work; oceans; and other priority environmental activities.

We respectfully urge you to oppose unbalanced budget rule changes that would put these national priorities at risk, and to work to ensure that the FY2005 budget resolution does not contain them. Instead, Congress should support a balanced fiscal policy that will protect our environment. Thank you for your attention to this critically important matter.

Sincerely,

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Fiscal Year 2005 Budget: Deep Cuts and Lopsided Rules Hit Environment and Natural Resources Hard

March 8, 2004

Under the guise of “fiscal responsibility”, budget proposals put forward this year by the Administration and the Senate Budget Committee pose a dangerous threat to America’s environment and natural resources.

- ◆ Both the Administration’s 2005 budget and the Senate 2005 budget resolution include disproportionate reductions to urgent environmental and natural resources priorities, which could significantly damage our nation’s clean air, clean water, healthy communities and public lands.
- ◆ Additionally, the two budgets would lock in these harmful environmental cuts for years to come through proposed changes to federal budgeting rules.

Together, these proposals are putting the nation’s air, land, wildlife and water at risk.

Disproportionate Cuts: 2005 Budgets Slash Environmental Funding

In addition to damaging reductions in 2005 environmental funding, both the Administration’s budget and the Senate budget resolution propose even deeper, disproportionate environmental cuts in future years.

- In 2005, according to the Administration’s own numbers, the President’s budget cuts environmental and natural resources spending a full 10 percent (\$3.2 billion) below current activity, or ‘baseline’ levels. Environmental programs have been singled out for these unwarranted reductions even though overall domestic spending for programs not related to homeland security would increase by one half of one percent.
- By 2009, the President’s budget would reduce ‘regular’ discretionary spending (outside of homeland security and defense activities) on environmental and natural resources by 20 percent (\$6.8 billion) below current activity levels, deeper than any other domestic budget category.
- The Senate budget resolution also would slash environmental and natural resources spending, cutting appropriations \$2.8 billion in the next two years below the baseline calculated by the Congressional Budget Office, and by 14 percent (\$21.8 billion) by 2009.

Locked in for Years to Come: Budget Rule Changes Make it Worse

A series of proposed budget rule changes would help lock in these deep environmental cuts. Although described as “fiscal responsibility” measures, these rules would not actually resolve our nation’s looming financial deficit. Instead, the rules would merely

impose deep and unbalanced cuts on the environment and other important domestic programs.

- The President's Budget and the Senate Budget Resolution propose to lock in sharp reductions to regular discretionary spending through binding, enforceable spending 'caps'. The caps would constrain appropriations for the years to come, regardless of any emerging needs or change in our nation's circumstances.
 - The President's Budget would set up discretionary caps for the next five years. The caps would gradually reduce environmental resources available for a broad range of programs to 20 percent below current levels by 2009.
 - The Senate's two-year caps would lock in \$2.8 billion in cuts in environmental and natural resources appropriations over the next two years.

Cuts Will Not Fix the Deficit

These caps simply will not fix the deficit. Just capping discretionary spending, without requiring that new tax cuts be paid for, will leave our nation's finances in the red.

- Non-defense discretionary spending currently accounts for only 18 percent of total annual spending. Even if Congress zeroed out all \$430 billion in non-defense, domestic discretionary spending this year, it would still not eliminate our current deficit of \$521 billion.
- The Administration and Senate budgets do not require that all new tax cuts be paid for (as called for by traditional budget "PAYGO" rules). Therefore new tax cuts will further increase the deficit by billions of dollars.

Environmental and Natural Resources Will Suffer

If enacted, the deep environmental cuts proposed by both the Administration and Senate budgets will significantly damage our lands, air, water and wildlife.

- **National Parks:** The budgets envision deep cuts (-\$800 million over five years) in National Park Service operations, construction and maintenance that, if enacted, would cause a severe decrease in staff, dramatically worsen the maintenance backlog, and lead to temporary and permanent area closures. They also would zero out the Urban Park and Recreation Recovery Program, diminishing low-income urban areas' access to safe parks and recreation facilities.
- **Oceans:** The National Ocean and Atmospheric Administration would lose more than \$2.5 billion in real dollars over five years, drastically reducing our ability to monitor and preserve our nation's most vulnerable fisheries and coastlines.

- ***EPA Environmental Programs and Management:*** Funding for EPA's core program, Environmental Programs and Management, would decline a total of 10 percent over five years, undermining critical functions such as setting standards to reduce air and water pollution and enforcing public health protections.
- ***EPA Science and Technology:*** Funding would be cut by a total of 19 percent (\$650 million) over five years, significantly reducing our ability to support sound science and respond adequately to emerging challenges from pollution dangers.
- ***Clean Water:*** In addition, the Administration's budget would target EPA's State and Tribal Assistance Grants, which provide for federal investments in clean water infrastructure, for a 22 percent reduction (\$3.5 billion) over a five-year period, further exacerbating a nearly half-trillion dollar backlog. Although the Senate's budget partly rejects this cut, the funding provided still falls far short of current needs.
- ***Land and Water Conservation Fund (LWCF):*** The already-underfunded LWCF is cut back further each year, until by 2009 it would receive 26 percent less (over \$100 million) in real dollars. If enacted, this cut would lead to a dramatic reduction in protection of priority wild lands, wildlife and open space, and in providing recreation opportunities across the nation.
- ***Wildlife:*** Refuges and other critical Fish and Wildlife Service programs suffer a cumulative reduction of 12 percent (almost \$500 million) over five years, with the result that our wildlife refuges will be degraded, and more threatened and endangered species and other wildlife species and their habitats will continue to decline.
- ***Monuments, Deserts and Other Public Lands:*** Operating funds for our nation's monuments, deserts, and other lands managed by the Bureau of Land Management decline 11 percent (over \$400 million) over five years. The result would be fewer rangers, less visitor services, and more destruction of fragile and valuable lands, Native American artifacts, wildlife populations, and other resources.

For more information, please contact Sara Zdeb, Friends of the Earth, (202) 222-0728; Bonnie Galvin, The Wilderness Society, (202) 429-2681; Wesley Warren, Natural Resources Defense Council, (202) 289-2392; Blake Selzer, National Parks Conservation Association, (202) 454-3380; and Mary Beth Beetham, Defenders of Wildlife, (202) 682-9400.